Acquisition Reform Success Story

Simplified Acquisition Strategy Removes Engine Spare Parts Bottleneck

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Program Description

The labor intensive process of repetitively pricing and negotiating individual small purchases from Pratt and Whitney for over 200 different replenishment spare parts used on F-15 and F-16 engines was significantly delaying availability of parts direly needed to complete engine overhaul.

How Streamlining Made a Difference

The current process of issuing annually over 150 individual purchase orders to obtain nearly 200 different replenishment spare parts from Pratt and Whitney under the simplified acquisition threshold (SAT) severely impacted completion of F-15 and F-16 engine overhauls. The Air Force's interests would best be served by a contracting instrument which would allow flexibility when the competitive atmosphere changed or if the current purchase exceeded the SAT. A Blanket Purchase Agreement (BPA) would allow the contractor to submit a price list for all 200 items and, to maximize the benefits of the BPA, update the price list as new spare parts were identified. A BPA was established with Pratt and Whitney for sole source spares purchases. The BPA has been amended to add 400 new pre-priced line items with another 1,500 proposed for addition by the contractor. The following streamlining results have been realized

Measure	FROM	TO
Price Availability	25-30 days	1 day
Delivery Schedule	25-30 days	4 days
Administrative Lead-time	70-95 days	7-10 days

Bottom Line: The one BPA replaced an annual estimate of 600 purchase orders (doing it **better**), using BPA calls cut administrative lead-time by 90% (doing it **cheaper**), and improved order placement cut delivery time over 80% (doing it **faster**).